

# **WEST HYDE PARK PROPERTY OWNERS ASSOCIATION, INC.**

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## **REGULAR MEETING OF THE BOARD OF DIRECTORS**

**November 12, 2004**

### **MINUTES**

Pursuant to call, the Regular Meeting of the Board of Directors of the West Hyde Park Property Owners Association, Inc. was held on Friday, November 12, 2004, commencing at 10:00 A.M. at the Arrowhead 1 Meeting Room at Arrowhead Court, 9800 Queensway Boulevard, Kingston Plantation, Myrtle Beach, South Carolina.

The following persons, Directors of the Association, were in attendance:

- Bill Moore, President
- Kady Downing, Treasurer
- Chuck Ostendorf, Vice President, via conference call
- Ron Brooks, Secretary, via conference call
- Bob LaVigna, Director at Large, via conference call

Also in attendance was Al Cremen of Chicora Development, Managing Agent for the Association. Al Cremen served as Recording Secretary.

The following owners were in attendance:

- Joe Latanzio, Unit 8A
- Jim Grapes, Unit 17E
- Sheila Myer Bach & Peter Bach, Unit 1E
- Marion Dignan, Unit 10E
- Chrys Bicicchi, Unit 3D
- George Pownall, Unit 15A & 15E

### ***APPROVAL OF MINUTES***

Bob LaVigna stated that the minutes of the August 20, 2004 meeting did not include all his suggested changes and the minutes should be reviewed and approved by the Board, prior to sending to the homeowners. He recommended that page five, second paragraph, second sentence of the August 20, 2004 meeting be amended to read, "It will not be necessary to hire another person because we are contracting out specific jobs that were to be done by the second person." He also recommended amending the first sentence on page three, also of the August 20, 2004 meeting, to read, "The end result in all this is that there would be no increase in the "2004" WHP budget and all the buildings would be painted."

A motion was made by Chuck Ostendorf, seconded by Ron Brooks to approve the minutes of the August 20, 2004 meeting as amended. The motion was passed.

### ***FINANCIAL REPORT***

Al Cremen presented the financial report noting that approximately \$56,389 was in the Operating Account as of the end of September. The Association is about 7% under budget in expenses at this time. The Reserve Account has \$156,206, but approximately \$56,550 will be deducted for the roof repairs. We are running an average of \$262 over the initial cost of the roofs due to replacing some of the plywood. "A New Look Painting" was paid \$15,000 to start the painting project. The special assessment of \$10,500 was paid to KPMA for the clean up of storm damage from Hurricane Charley.

Kady Downing and Bill Moore met with Mike Fanelli, Leo Rebon and Al Cremen of Chicora to discuss the improvement of the financial statement so that it would be easier to understand. The Board members feel that the financial statement should show the annual budget for each line item and also show the remaining budgeted amount. Also discussed were definitions of some line items and the management contract.

Bill Moore stated that there was a recommendation from Hank Specht, our former auditor, and Marc Quigley, our current auditor, regarding line item 138 of \$128,502, which was borrowed from reserves and moved to operating when we encountered the termite problem to start repair work. They both indicated that as long as that has been on the balance sheet we should make a journal entry to make that a permanent transfer so that it disappears out of assets and liabilities to reserves and operating. Bill stated that the only way we can do it without doing a journal entry is by putting the \$128,502 into the operating budget and collect it rather than putting it in the reserve budget. Example would be if we elected not to put \$70,000 in the reserve budget, we would collect the money in operating and then do a transfer at the end of the year from operating to reserve and then repeat the process next year. At this point, it makes sense to make the journal entry.

A motion was made by Kady Downing and seconded by Ron Brooks to make the journal entry to make the \$128,502.07 a permanent transfer. Bob LaVigna asked would this affect the total amount currently in the Reserve account. Bill Moore stated that it would not affect the reserve or operating account in any way. A vote was called on the motion. Bill Moore, Ron Brooks and Kady Downing voted yes. Chuck Ostendorf abstained and Bob LaVigna was a no vote. The motion was approved.

### ***OLD BUSINESS***

#### **Litigation Status:**

Bill Moore has tried to make contact with Luther McCutchen in reference to the depositions that are scheduled for December. Bill is trying to determine how important

the deposition is and if it will be necessary to meet so that we will know what questions may be asked. Luther will determine who will be deposed.

**Business Via E-mail:**

**Storm Clean-Up Assessment:**

KPMA assessed each homeowner \$75.00 for storm clean up. The cost to West Hyde Park was \$10,500. The Board looked at the possibility of taking the money from the operating account to pay KPMA and putting the KPMA special assessment in the 2005 budget saving the homeowners the extra cost of a special assessment (mailing, printing, etc.) rather than special assess the homeowners.

A motion was made by Bill Moore and seconded by Ron Brooks to pass the one time assessment. Voting in the affirmative were Bill Moore, Ron Brooks, Chuck Ostendorf and Kady Downing. Bob LaVigna was opposed. The motion passed.

**Roofing and Repairs:**

Bob LaVigna requested that the board have all information on the roofs. Chicora did not provide the board with all information requested – cost and specifications for 40-year roof shingles and to replace 8 roofs instead of 6 roofs to save money on inflation costs and potential water damage in units delayed to the next phase due to roof leaks

A motion was made by Bill Moore and seconded by Ron Brooks to move forward with the roofing project and replace 6 roofs with 30-year shingles. Voting in the affirmative were Bill Moore, Ron Brooks, Chuck Ostendorf and Kady Downing. Bob LaVigna was opposed. The motion passed.

A motion was made by Bill Moore and seconded by Ron Brooks to approve the contract to RCB Construction to do pre-paint repairs on Buildings #7-#24. The motion was unanimously approved.

**Painting Update:**

“A New Look Painting” is currently working on Building #8. They are scheduled to go to Building #7 next and then work their way around to the other buildings.

Power washing is being done on the buildings prior to painting. The painters will be installing gutter guards when they finish painting the buildings. As the roofers and painters are progressing, they are cleaning out the gutters.

**Roofing Update:**

RCB Construction has finished the new roofing on Buildings #19-#22 and is currently working on Building #23.

### **Watkins Construction:**

Bob LaVigna asked if we had any response from Watkins about his warranty on work done at WHP. Bob LaVigna does not want homeowners to pay for repairs that may be covered under a Watkins warranty. Al indicated that he has called numerous times without a return call. It was suggested that a certified letter be sent to Watkins.

### ***NEW BUSINESS***

#### **Maintenance:**

“A New Look Painting” will be submitting a proposal to do maintenance work for WHP, such as power washing, gutter clean out and minor maintenance work, as necessary.

#### **Manpower:**

Chuck Ostendorf expressed concern about the manpower at WHP. He would like to have some assurance that Chicora will be hiring someone soon or cross-train employees from other regimes to keep things moving in the right direction for WHP. He noted that it was important to him as a Board member in going forward with Chicora to know that there is routine reliability. The concern was that WHP went 8-9 weeks without a maintenance person. Discussions have taken place with “A New Look Painting” about a contract to do the types of jobs required to maintain WHP. Chicora, as the management agent, needs to address this issue and come to some arrangement that satisfies WHP’s needs.

#### **2005 Annual Budget:**

The comment from Chuck Ostendorf was that he had no challenges to the 2005 proposed budget. Chuck felt that if we went with the \$60,000 or \$70,000 reserve schedule, we should not have any problems. Chuck also stated that he had gone back and looked at the roofing schedule, and that if we should get any money back from the law suit, plus putting \$70,000 into the reserves in 2005 and 2006, we should have monies to complete the roofing schedule. Bill Moore stated that with the money in the reserves at the end of 2004, we should have almost enough money to do the next six roofs. By March or April, we definitely should have enough money to do the next six roofs. With \$70,000 going into the roof reserves, we would have sufficient funds to do six roofs in the spring, and depending on operation and the operating budget, come September or October, we stand a very good chance to do an additional six roofs. There will not be enough in the reserves by itself; we would have to look at the operating budget for surplus money to help fund the roof project. Chuck asked if the insurance allocation could be a possibility for excess funds. Bill stated that based on information that he received from other regimes in the Plantation that they are taking a chance that the premiums will not increase from 2005. The insurance budget for 2005 of \$185,000 is

20% above the actual amount spent in 2004. There could be excess funds if the insurance premiums do not increase.

Repairs and Maintenance:

- Line items 401, 430 & 431 - will remain the same for 2005.
- Line item 435 - General Building Maintenance will increase to \$18,000. This will help fund the missing chimney caps.
- Line item 450 - Painting/Waterproofing will decrease to \$24,000. The reason for the decrease is that \$12,000 will be added to a new reserve line item for painting.
- Line item 486 – Operating Contingency will increase to \$20,000 to offset any unforeseen expenses.

General & Administration:

- Line item 510 – Insurance increased but final amount is pending due to change of renewal date.
- Line item 545 – Debt Retirement increased due to the interest rate.

MPOA Assessments:

- Line item 590 – KPMA assessment has dropped slightly.

Utilities:

- Line item 620 – Cable Television increased by 5%.
- Bob LaVigna brought up the replacement or repairs of the chimney caps. The last estimate received was approximately \$1,000 per cap. Bob asked if this could be funded from the reserves under Major Repairs. Bob stated that the front patios are still a problem, especially when it rains. This is work that was done by Watkins. The patios will be deferred until the lawsuit is settled.

Reserves:

No money has been added to the reserves for the roofs that are being repaired now or the major maintenance repairs. It was decided that the chimney caps should stay as an operating expense. We will be looking at replacing the caps that are currently missing which is approximately 13-14. We will install the low profile caps.

A motion was made by Ron Brooks and seconded by Chuck Ostendorf to approve the 2005 Operating Budget of \$935,533. The motion was unanimously approved.

## ***KPMA REPORT***

The hurricane clean up was approximately \$100,000. Bill made mention that the control of Kingston Plantation does not reside with the individual regimes; it is controlled by the developer. The developer is like a big corporation. One person owns 51% stock and 10,000 other people own 49%. The 10,000 people can vote for something and that one person can vote against and it does not pass. Felcor has more votes than all the regimes combined. The way Felcor votes is the way it goes. There were a couple proposals on the table to cover the cost of the clean up. The \$75.00 per door was the last one on the table. The regimes voted against it but Felcor voted for it. Every regime was assessed the \$75.00 per door. The Master Association said it was the responsibility of each regime to collect and pay their portion as they saw fit. Some regimes paid for the damage out of their operating budget and some regimes special assessed the homeowners. WHP did not have the funds in the operating budget so a special assessment was required.

### **Parking Stickers:**

Everyone will receive two stickers. There will be a charge for the next three for a total of five. To obtain more than five, a request will have to be approved by security.

### **KPMA Meeting:**

The meeting is tomorrow starting at 8:00 a.m., instead of 9:00 a.m. The first hour they are going to discuss insurance with Marsh and McClennan and Puckett, Scheetz and Hogan. They will discuss the possibility of putting all the regimes under one policy. Also, they will try to answer any questions that may come up.

### **Building and Grounds:**

Jim Grapes reported that the irrigation system is working at this time. They are going to start replacing approximately 427 shrubs. There are some questions about some of the bridges that still need to be pressure washed. There are some limbs hanging loose on trees that need some attention. There are some concerns about a light problem at Building 17, WHP. It was mentioned that the sidewalk by Building 23 had caved in. There has been some work on the sidewalks where they have leveled out the walkway to prevent a tripping hazard.

## ***EXECUTIVE SESSION***

The board went into Executive Session to discuss the management contract. After discussing Chicora's performance, alternatives, and expectation for the next year; the board agreed to extend the management for 2005. The meeting reopened to general session and announced this decision.

***OWNER COMMENTS***

Some homeowners were upset with Chicora's response to reported problems/concerns. Jim Grapes, Unit 17E, read and submitted 4 pages of Homeowner Concerns and Proposals – attached as Exhibit "A".

Al Cremen responded that it is very difficult to hire a person for only 20 hours per week. There is a hiring process that takes place through Chicora and they have not been able to find someone to fit the need of 20 hours. Al will continue to put emphasis on the need to fill the position for WHP.

There being no further business, a motion was made by Kady Downing and seconded by Ron Brooks to adjourn the meeting.

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Al Cremen  
Recording Secretary